

Internal Audit Division  
City of Greensboro



April 23, 2010

**TO:** Rashad Young, City Manager  
**FROM:** Internal Audit Division  
**SUBJECT:** Trinity Building Corporation

The Internal Audit Division has completed our annual review of The Trinity Building Corporation for the 2007-2008 year. Attached you will find our review report; the agency response; the departmental response and our replies to their responses. We feel that sufficient corrective actions have been implemented to our recommendations as we move forward. If you have any questions or need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read "Len Lucas".

Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Andy Scott, Assistant City Manager for Economic Development  
Dan Curry, Interim Director of Housing & Community Development



# City of Greensboro

Date: November 3, 2009  
To: Dan Curry, Acting Director of Housing & Community Development  
From: Internal Audit Division  
Subject: Trinity Building Corporation 2007-2008

The Internal Audit Division has performed our compliance review of the year ended December 31, 2008 of Trinity Building Corporation. This property received a non-interest bearing loan in the amount of \$70,000 provided by the City of Greensboro to help in the rehabilitation of 152 apartments located at Carrieland Drive, Fairbrother Street and Tillman Avenue. Professional Realty and Management Company manages this property. These units are called Trinity Garden Apartments and are rented to families or individuals based upon their ability to pay.

Mr. Jim Teele, Housing Rehabilitation Specialist of the Department of Housing & Community Development, did not inspect the exterior at the time of our review but will schedule an inspection of the exterior buildings and grounds of Trinity Garden Apartments at a later date. A copy of these issues, if any, will be given to the Property Manager to address upon completion of the inspection before they escalate into costly problems.

We examined selected financial transactions maintained by the entity for compliance with the loan agreement. Repayment of the loan is based upon a percentage of cash flows and any unpaid balance is due in full October 1, 2018. As of December 31, 2008, there was no payment due and the current loan balance due is \$65,003.

Based on our review, it appears that the funds have been spent according to the terms of the loan agreement except for the following:

**FINDING:**

The External Audit and Management Letter for fiscal year end December 31, 2008 were not received by the City until after July 16, 2009.

**RECOMMENDATION:**

Trinity Building Corporation should provide the City an External Audit and Management Letter for each fiscal year by March 31<sup>st</sup> of the following year.

We request a written signed response from Trinity Building Corporation and HCD by November 17, 2009 and mailed to the City of Greensboro, Internal Audit Division, P. O. Box 3136, Greensboro, NC 27402.

We would like to thank the staff of Professional Realty and Management Company; Ms. Michelle Thomas, Property Manager; and Ms. Tracy Rogers, Administrative Assistant of Trinity Gardens Apartments for their courtesy and cooperation shown to us during this visit. If there are any questions or comments concerning the details of this visit, we can be reached at 373-2821.

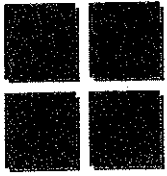


Mickey Kerans  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Andy Scott, Interim Assistant City Manager for Economic Development  
W. G. Nelson, President of Professional Realty and Management Company



# HCD

Department of Housing & Community Development

## MEMO

**Date:** November 2, 2009  
**To:** Len Lucas, Internal Audit Director  
**From:** Michael Blair, Specialist Grants Compliance  
**RE:** HCD Programmatic Review of Trinity Gardens

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HCD does not prepare programmatic letters for Trinity Gardens due to the property not having any affordability requirements through either the contract with the city or through the City Bonds that funded the project.

While the HOME Program has long-term affordability requirements built into its rules and regulations, which would supplement the city agreement, bonds do not.



Internal Audit Division  
City of Greensboro

March 9, 2010

Mr. W. G. Nelson  
Professional Realty and Management Company  
5501 Executive Center Drive  
Suite 201  
Charlotte, NC 28212-8866

Re: Trinity Garden Apartments-2007 to 2008

Dear Mr. Nelson:

We are following up on Professional Realty and Management Company's written response for Trinity Garden Apartments which was due to the City on or before November 17, 2009. For your reference, we are attaching a copy of our report to you dated November 3, 2009. Your immediate reply to this matter would be appreciated. If you should have any questions, please feel free to call us at 373-2821.

Sincerely,

Mickey Kerans  
Internal Auditor

Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Andy Scott, Interim Assistant City Manager for Economic Development  
Dan Curry, Acting Director of Housing & Community Development  
Michelle Thomas, Manager, Trinity Garden Apartments



# City of Greensboro

Date: November 3, 2009  
To: Dan Curry, Acting Director of Housing & Community Development  
From: Internal Audit Division  
Subject: Trinity Building Corporation 2007-2008

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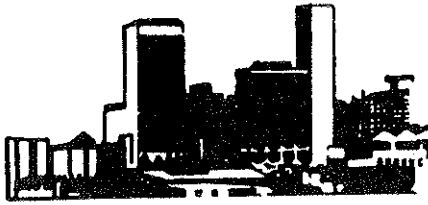
Mickey Kerans  
Internal Auditor



Len Lucas  
Internal Audit Director

Cc: Andy Scott, Interim Assistant City Manager for Economic Development  
W. G. Nelson, President of Professional Realty and Management Company

R-3/12/10



## **Professional Realty and Management Co.**

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5501 Executive Center Drive Suite 201  
P.O. Box 25762  
Charlotte, North Carolina 28229-5762  
704/537-0609 FAX 704/567-2666

March 10, 2010

City of Greensboro  
Internal Audit Division  
P.O. Box 3136  
Greensboro, NC 27402

**SUBJECT:** Trinity Building Corporation 2007-2008

Dear Mr. Kerans:

This correspondence is in response to your memorandum dated November 3, 2009. Please forgive our oversight in responding to the memorandum.

**Finding:**

The External Audit and Management Letter for fiscal year end December 31, 2008 were not received by the City until after July 16, 2009.

**Response:**

Trinity Building Corporation will make every effort to provide the City with the required year-end External Audit and Management Letter in a timely manner. The audit is completed by March 31<sup>st</sup> of each year per HUD requirements. Going forward, we will forward the audit immediately thereafter.

If any additional information is required, please feel free to contact me at [lwilliams40@aol.com](mailto:lwilliams40@aol.com) or (704) 537-0609.

Sincerely,

Lucinda Williams  
Property Manager





Internal Audit Division  
City of Greensboro

March 16, 2010

Ms. Lucinda Williams  
Property Manager  
Professional Realty and Management Company  
5501 Executive Center Drive  
Suite 201  
Charlotte, NC 28229-5762

Re: Trinity Garden Apartments Loan Year-2007 to 2008

Dear Ms. Williams:

We are in receipt of Professional Realty and Management Company's letter dated March 10, 2010 (received by U. S. mail on March 12, 2010) reference the City's Internal Audit report of the 2007 to 2008 dated November 3, 2009. Your response to our report is appreciated. We have reviewed Professional Realty and Management Company's letter and agree with your response but we would like clarify the external audit for Trinity Gardens is due to the City on or before March 31<sup>st</sup> for the previous calendar year ended.

Sincerely,


Mickey Kerans  
Internal Auditor

Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Andy Scott, Assistant City Manager for Economic Development  
Dan Curry, Acting Director of Housing & Community Development



**MEMO**

**Date:** March 22, 2010  
**To:** Len Lucas, Internal Audit Director  
**From:** Michael Blair, Analyst Grants Compliance   
**RE:** HCD Review of Trinity Gardens Apartments Audit Report

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HCD concurs with the Internal Audit review.

Internal Audit Division  
Executive Department  
City of Greensboro



March 23, 2010

TO: Dan Curry, Acting Director of Housing & Community Development  
FROM: Internal Audit Division  
SUBJECT: Trinity Building Corporation, 2007-2008

Thank you for your reply of March 22, 2010. Internal Audit agrees with the Department of Housing & Community Development's response to Internal Audit's subject report dated November 3, 2009.

Mickey Kerans  
Internal Auditor

Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Andy Scott, Assistant City Manager for Economic Development



Internal Audit Division  
City of Greensboro

April 22, 2010

Ms. Lucinda Williams  
Property Manager  
Professional Realty and Management Company  
5501 Executive Center Drive  
Suite 201  
Charlotte, NC 28229-5762

Re: Trinity Garden Apartments Loan Year-2007 to 2008

Dear Ms. Williams:

Enclosed is an exterior building inspection report by Mr. Jim Teele, City Rehabilitation Inspector of the Department of Housing and Community Development. During our annual review of Trinity Gardens a building inspection is what we normally do. Mr. Teele inspected the property on April 21, 2010. His only comment concerned the building down spouts which you might want to check into.

If you should have any question, please let me know.

Sincerely,

Mickey Kerans  
Internal Auditor

Len Lucas  
Internal Audit Director

Cc: Bob Morgan, Deputy City Manager  
Andy Scott, Assistant City Manager for Economic Development  
Dan Curry, Acting Director of Housing & Community Development